

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended,
and for other purposes.

1 Be it enacted by the Senate and House of Representatives of
2 the United States of America in Congress assembled,

3 SEC. 1. The Central Intelligence Agency Act of 1949, as
4 amended (50 U.S.C. 403a et seq.), is further amended as follows:

5 (1) Amend section 3 by deletion of subsections (a)
6 and (b) and substitute therefor:

7 "(a) In the performance of its functions, the Agency
8 is authorized to exercise the authorities contained in sections 2301;
9 2302 (2) and (3); 2303 (b) and (c); 2304(a) (1), (2), (3), (4), (5), (6),
10 (10), (12), (15), and (17); 2305; 2306; 2307; and 2312 of title 10,
11 United States Code.

12 "(b) In the exercise of the authorities granted in sub-
13 section (a) of this section, the term 'Agency head' shall mean the
14 Director and the Deputy Director."

15 (2) Amend section 3(d) by deletion of the wording
16 "section 2(c) and section 5(a) of the Armed Services Procurement
17 Act of 1947" from the first sentence and substitute therefor,

1 "section 2304(a) and section 2307 of title 10, United States Code."
2 Further amend section 3(d) by deletion of the wording "section 2(c),
3 by section 4 or by section 5(a) of the Armed Services Procurement
4 Act of 1947" from the second sentence and substitute therefor,
5 "section 2304(a), by section 2306 or by section 2307 of title 10,
6 United States Code".

7 (3) Amend section 4 by adding the following new
8 paragraphs (1)(G) and (1)(H), and (8), and further amend section 4 by
9 deletion of the words "Under such regulations as the Director may
10 prescribe, the Agency, with respect to its officers and employees
11 assigned to duty stations outside the several States of the United
12 States of America, excluding Alaska and Hawaii, but including the
13 District of Columbia, shall--" and substitute therefor, "Under such
14 regulations as the Director may prescribe, the Agency, with respect
15 to its officers and employees assigned abroad, to duty stations out-
16 side the several States of the United States of America, excluding
17 Alaska and Hawaii, but including the District of Columbia, may--".

18 (1)(G) Pay the travel expenses of officers and
19 employees of the Agency and members of their families, while
20 serving at posts specifically designated by the Director for purposes

1 of this paragraph, for rest and recuperation to other locations
2 abroad having different environmental conditions than those at the
3 post at which such officers and employees are serving, provided
4 that such travel expenses shall be limited to the cost for each
5 officer or employee and members of his family of one round trip
6 during any continuous two-year tour unbroken by home leave and
7 two round trips during any continuous three-year tour unbroken
8 by home leave;

9 "(1)(H) Pay the travel expenses of members of the
10 family accompanying, preceding, or following an officer or
11 employee if, while he is enroute to his post of assignment, he is
12 ordered temporarily for orientation and training or is given other
13 temporary duty."

14 "(8) Provide appropriate orientation and language
15 training to members of family of officers and employees of the
16 Agency in anticipation of the assignment abroad of such officers
17 and employees, or while abroad."

18 (4) Amend section 4(3)(A) to read as follows:

19 "(3)(A) Order to any of the several States of the
20 United States of America (including the District of Columbia, the

1 Commonwealth of Puerto Rico, and any territory or possession
2 of the United States) on leave of absence authorized in section 203(f)
3 of the Annual and Sick Leave Act of 1951, as amended, each officer
4 or employee of the Agency who was a resident of the United States
5 (as described above) at the time of employment, upon completion of
6 three years' continuous service abroad or as soon as possible
7 thereafter, and may so order after completion of eighteen months
8 such service without regard to the limitation contained in section 203(f)
9 of the Annual and Sick Leave Act of 1951, as amended.**

10 (5) Amend section 4(5) by striking out subsections (A)

11 and (C) and inserting in lieu thereof the following new paragraphs

12 (A) and (C):

13 "(A) In the event an officer or employee of the Agency
14 or one of his dependents, requires medical care, for illness or
15 injury not the result of vicious habits, intemperance, or misconduct,
16 while on assignment abroad in a locality where there is no qualified
17 person or facility to provide such care, pay the travel expenses of
18 such officer, employee, or dependent by whatever means deemed
19 appropriate by the Agency, including the furnishing of transportation,
20 and without regard to the Standardized Government Travel Regulations.

1 and section 10 of the Act of March 3, 1933, as amended (60 Stat.
2 808; 5 U.S.C. 73b), to the nearest locality where suitable medical
3 care can be obtained and on his recovery pay for the travel expenses
4 of his return to his post of duty. If any such person is too ill to
5 travel unattended, or in the case of a dependent too young to travel
6 alone, the Agency may also pay the round-trip travel expenses of
7 an attendant or attendants;".

8 "(C)(i) In the event of illness or injury requiring
9 hospitalization or similar treatment incurred by an officer or
10 employee of the Agency while on assignment abroad, not the result of
11 vicious habits, intemperance, or misconduct on his part, pay
12 for the cost of treatment of such illness or injury;

13 "(ii) In the event a dependent of an officer or employee
14 of the Agency who is assigned abroad, incurs an illness or injury
15 while such dependent is located abroad, which requires hospitaliza-
16 tion or similar treatment, and which is not the result of vicious
17 habits, intemperance, or misconduct on his part, pay for that
18 portion of the cost of treatment of each such illness or injury that
19 exceeds \$35 up to a maximum limitation of one hundred and twenty
20 days of treatment for each such illness or injury, except that such

1 maximum limitation shall not apply whenever the Agency, on the
2 basis of professional medical advice, shall determine that such
3 illness or injury clearly is caused by the fact that such dependent
4 is or has been located abroad;".

5 (6) In section 5, add the following new paragraphs (f)
6 and (g):

7 "(f) Upon the termination of the assignment of an
8 employee appointed from another Government agency without a break
9 in service for duty with the Agency for a specific period of time
10 agreed upon by both agencies, such person will be entitled to
11 reemployment in such other Government agency in the position
12 occupied at the time of assignment, or in a position of comparable
13 salary, or, at the volition of the other Government agency, to a
14 position of higher salary. Upon reemployment, the employee shall
15 receive the within-grade salary advancements and other salary
16 adjustments he would have been entitled to receive had he remained
17 in the position in which he was employed prior to assignment to the
18 Agency.

19 "(g) Settle and pay, whenever the Director determines
20 that payment will further the purposes of this Act, without regard to

1 any other provisions of law and under such regulations as the
2 Director may prescribe, in an amount not exceeding \$10,000, any
3 claim against the United States for loss of or damage to real or
4 personal property (including loss of occupancy or use thereof),
5 belonging to, or for personal injury or death of, any person not a
6 citizen or resident of the United States, where such claim arises
7 abroad out of the act or omission of any Agency employee or out
8 of the act or omission of any person acting on behalf of the Agency
9 but only if such claim is presented in writing to the Agency
10 activity involved within one year after it accrues."

11 (7) Renumber section 7 to read section 8. Renumber
12 section 8 to read section 9, APPROPRIATIONS. Renumber
13 section 9 to read section 10, SEPARABILITY OF PROVISIONS.
14 Renumber section 10 to read section 11, SHORT TITLE. Add a
15 new section 7 as follows:

16 "7. (a) For the benefit of or for use in connection
17 with the Agency or for the benefit or welfare of employees of the
18 Agency or their dependents, the Director is authorized, notwith-
19 standing any other provisions of law--
20 "(1) to receive gifts to the Agency and in his discretion

1 to accept, receive, hold, administer, and expend or dispose
2 of such gifts and bequests of property from individuals or
3 others;

4 "(2) to disburse gifts, bequests of money, interest,
5 profits, income, or proceeds from sales of other property
6 received as gifts in accordance with the terms and conditions
7 of the acceptance of any particular gift or bequest;

8 "(3) to invest, reinvest or retain investments of the
9 money, property or securities and the interest, profits, or
10 proceeds accruing from such money, property or securities;

11 Provided, however, That the Director is not authorized, as a
12 consequence of gifts or bequests of money, property, or securities
13 to the Agency, to engage in any business or to exercise any voting
14 privilege which may be incidental to securities in his hands received
15 as a gift to the Agency, nor shall the Director make any investments
16 other than securities of the United States or other securities
17 guaranteed as to principal and interest by the United States, except
18 that he may make any investments directly authorized by the instru-
19 ment of gift, and may retain any investments accepted by him;
20 Provided further, That gifts, bequests of money, or proceeds from

1 other property are not utilized for the conduct of activities by the
2 Agency, as authorized in section 4 et seq. of this Act through the
3 augmentation or in lieu of appropriations by the United States
4 Congress; And provided further, That the funds represented by the
5 gifts, bequests of money, or proceeds from other property are
6 not commingled with funds appropriated by the United States
7 Congress.

8 "(b) For the purpose of Federal income, estate, and
9 gift taxes, gifts and bequests accepted by the Director shall
10 be deemed to be a gift or bequest to or for the use of the United
11 States."

12 SEC. 2. Title II, The Central Intelligence Agency Retire-
13 ment and Disability System, of the Central Intelligence Agency
14 Retirement Act of 1964 for Certain Employees (50 U.S.C. 403,
15 note) is amended as follows:

16 (1) Amend section 221 by striking out subsection (f) and
17 inserting the following new paragraphs (f), (g), and (h):

18 "(f) Any unmarried participant retiring under the
19 provisions of this Act and found by the Director to be in good health
20 may at the time of retirement elect a reduced annuity, in lieu of the

1 annuity as hereinbefore provided, and designate in writing a
2 person having an insurable interest (as that term is used in section
3 9(h) of the Civil Service Retirement Act (5 U.S.C. 2259(h))) in the
4 participant to receive an annuity after the participant's death. The
5 annuity payable to the participant making such election shall be
6 reduced by 10 per centum of an annuity computed as provided in
7 paragraph (a) of this section, and by 5 per centum of an annuity so
8 computed for each full five years the person designated is younger
9 than the participant, but such total reduction shall not exceed
10 40 per centum. The annuity of a survivor designated under this
11 paragraph shall be 55 per centum of the reduced annuity computed
12 as prescribed above.

13 "(g) Except as otherwise provided, the annuity of a
14 participant shall commence on the day after separation from the
15 service, or on the day after salary ceases and the participant meets
16 the service and the age or disability requirements for title thereto.
17 The annuity of a participant under section 234 shall commence on
18 the day after the occurrence of the event on which payment thereof
19 is based. An annuity otherwise payable from the fund allowed on
20 or after date of enactment of this provision shall commence on the

1 day after the occurrence of the event on which payment thereof
2 is based."

3 "(h) An annuity payable from the fund on or after date
4 of enactment of this provision shall terminate (1) in the case of a
5 retired participant, on the day death or any other terminating
6 event occurs, or (2) in the case of a survivor, on the last day of
7 the month before death or any other terminating event occurs."

8 (2) Amend section 252 by deleting subsection (c)(1);
9 renumbering subsections (c)(2) and (c)(3) to read (c)(3) and (c)(4)
10 and inserting the following new subsections (c)(1) and (c)(2):

11 "(c)(1) If an officer or employee under some other
12 Government retirement system becomes a participant in the system
13 by direct transfer, the Government's contributions under such
14 retirement system on behalf of the officer or employee shall be
15 transferred to the fund and such officer or employee's total contribu-
16 tions and deposits, including interest accrued thereon, except
17 voluntary contributions, shall be transferred to his credit in the
18 fund effective as of the date such officer or employee becomes a
19 participant in the system. Each such officer or employee shall be
20 deemed to consent to the transfer of such funds and such transfer

1 shall be a complete discharge and acquittance of all claims and
2 demands against the other Government retirement fund on account
3 of service rendered prior to becoming a participant in the system.

4 "(c)(2) If a participant in the system becomes an
5 employee under another Government retirement system by direct
6 transfer to employment covered by such system, the Government's
7 contributions to the fund on his behalf may be transferred to the fund
8 of the other system and his total contributions and deposits, including
9 interest accrued thereon, except voluntary contributions, may be
10 transferred to his credit in the fund of such other retirement system
11 at the request of the officer or employee effective as of the date he
12 becomes eligible to participate in such other retirement system.

13 Each such officer or employee in requesting such transfer shall be
14 deemed to consent to the transfer of such funds and such transfer
15 shall be a complete discharge and acquittance of all claims and demands
16 against the fund on account of service rendered prior to his becoming
17 eligible for participation in such other system.

18 (3) Amend section 273 by deletion of subsection (a);
19 renumbering subsection (b) to read (c) and inserting the following
20 new subsections (a) and (b):
21 "(a) Notwithstanding any other provision of law, any

1 annuitant who has retired under this Act and who is reemployed
2 in the Federal Government service in any appointive position
3 either on a part-time or full-time basis shall be entitled to receive
4 the salary of the position in which he is serving plus so much of
5 his annuity payable under this Act which when combined with such
6 salary does not exceed during any calendar year the basic salary
7 such officer or employee was entitled to receive on the date of his
8 retirement from the Agency. Any such reemployed officer or
9 employee who receives salary during any calendar year in excess of
10 the maximum amount which he may be entitled to receive under this
11 paragraph shall be entitled to such salary in lieu of benefits here-
12 under.

13 "(b) When any such annuitant is reemployed, he shall
14 notify the Director of Central Intelligence of such reemployment
15 and shall provide all pertinent information relating thereto."

16 SEC. 3. Section 102(b) of the Federal Employees Pay Act of 1945,
17 as amended (5 U.S.C. § 902(b)), relating to exemption from coverage
18 under the Act, is amended by striking out "and" immediately preceding
19 "(7)" therein and by inserting before the period at the end thereof
20 ";" and (8) officers and employees of the Central Intelligence Agency".

1 maximum limitation shall not apply whenever the Agency, on the
2 basis of professional medical advice, shall determine that such illness
3 or injury clearly is caused by the fact that such dependent is or has
4 been located abroad;".

5 (6) In section 5, add the following new paragraphs (f), (g), and (h):

6 "(f) Appoint advisory committees and employ, notwithstanding
7 any other provisions of law, part-time advisory personnel necessary to
8 carry out the functions of the Agency. Such personnel may serve without
9 compensation or may receive compensation at rates authorized in an
10 appropriation or other act.

11 "(g) Upon the termination of the assignment of an employee
12 appointed from another Government agency without a break in service
13 for duty with the Agency for a specific period of time agreed upon by
14 both agencies, such person will be entitled to reemployment in such
15 other Government agency in the position occupied at the time of
16 assignment, or in a position of comparable salary, or, at the volition
17 of the other Government agency, to a position of higher salary. Upon
18 reemployment, the employee shall receive the within-grade salary
19 advancements and other salary adjustments he would have been
20 entitled to receive had he remained in the position in which he was
21 employed prior to assignment to the Agency.

22 "(h) Settle and pay, whenever the Director determines
23 that payment will further the purposes of this Act, without regard to

1 annuitant who has retired under this Act and who is reemployed
2 in the Federal Government service in any appointive position
3 either on a part-time or full-time basis shall be entitled to receive
4 the salary of the position in which he is serving plus so much of
5 his annuity payable under this Act which when combined with such
6 salary does not exceed during any calendar year the basic salary
7 such officer or employee was entitled to receive on the date of his
8 retirement from the Agency. Any such reemployed officer or
9 employee who receives salary during any calendar year in excess of
10 the maximum amount which he may be entitled to receive under this
11 paragraph shall be entitled to such salary in lieu of benefits here-
12 under.

13 "(b) When any such annuitant is reemployed, he shall
14 notify the Director of Central Intelligence of such reemployment
15 and shall provide all pertinent information relating thereto."

16 (4) Amend section 291 to read as follows:

17 "SEC. 291. (a) On the basis of determinations made by
18 the Civil Service Commission pursuant to Section 18 of the Civil
19 Service Retirement Act, as amended, pertaining to per centum change
20 in the price index, the following adjustments shall be made:

21 "(1) Effective with its commencing date each annuity
22 payable from the fund based on separation for retirement or
23 death of a participant on or before December 30, 1965, shall

1 be increased by (a) the per centum rise in the price index,
2 adjusted to the nearest one-tenth of one per centum,
3 determined by the Commission on the basis of the annual
4 average price index for calendar year 1962 and the price
5 index for the month of July of calendar year 1965, plus
6 (b) 1 1/2 per centum. The month of July of calendar year
7 1965 shall be the base month for determining the per cen-
8 tum change in the price index until the next succeeding
9 increase occurs.

10 "(2) Effective the first day of the third month which
11 begins after the price index shall have equaled a rise of at
12 least 3 per centum for three consecutive months over the
13 price index for the base month, each annuity payable from
14 the fund which has a commencing date not later than such
15 effective date shall be increased by the per centum rise in
16 the price index (calculated on the highest level of the price
17 index during the three consecutive months) adjusted to the
18 nearest one-tenth of one per centum.

19 "(b) Eligibility for an annuity increase under this section
20 shall be governed by the commencing date of each annuity payable
21 from the fund as of the effective date of an increase, except as follows:

1 "(1) Effective from its commencing date, an annuity
2 payable from the fund to an annuitant's survivor (other
3 than a child entitled under Section 221(c)), which annuity
4 commences the day after annuitant's death and after
5 January 1, 1966 shall be increased by the total per centum
6 increase the annuitant was receiving under this section at
7 death.

8 "(2) For purposes of computing an annuity which
9 commences after January 1, 1966 to a child under section
10 221(c), the items \$600, \$720, \$1,800, and \$2,160
11 appearing in section 221(c) shall be increased by the total
12 per centum increase allowed and in force under this
13 section and, in case of a deceased annuitant, the items
14 40 per centum and 50 per centum appearing in section 221(c)
15 shall be increased by the total per centum increase allowed
16 and in force under this section to the annuitant at death.

17 "(c) The term 'price index' shall mean the Consumer Price
18 Index (all items--United States city average) published monthly by
19 the Bureau of Labor Statistics. The term 'base month' shall mean
20 the month for which the price index showed a per centum rise

1 forming the basis for a cost-of-living annuity increase.

2 "(d) No increase in annuity provided by this section shall
3 be computed on any additional annuity purchased at retirement
4 by voluntary contributions.

5 "(e) The monthly installment of annuity after adjustment under
6 this section shall be fixed at the nearest dollar, except that such
7 installment shall after adjustment reflect an increase of at least
8 one dollar."

9 SEC. 3. Section 102(b) of the Federal Employees Pay Act
10 of 1945, as amended (5 U.S.C. § 902(b)), relating to exemption
11 from coverage under the Act, is amended by striking out "and"
12 immediately preceding "(7)" therein and by inserting before the
13 period at the end thereof "; and (8) officers and employees of the
14 Central Intelligence Agency".

COST ESTIMATES

The total additional cost for the first full year is estimated not
25X1A
to exceed \$ [REDACTED] Many of the provisions of the bill are technical
amendments of existing authorities and engender no additional, or no
measurable costs.

Many of the provisions of the bill, as recounted above, are based
25X1A substantially on authorities available for Foreign Service personnel.

25X1A [REDACTED]

25X1A [REDACTED]

25X1A [REDACTED]

25X1A [REDACTED] Agency
authorities for travel and medical care have been extended insofar as
possible in the post to provide comparable benefits to, than afforded for,
the Foreign Service. The definition of these programs in the bill does
not entail additional costs.

The additional costs of new authorities set forth in the bill are
indicated below.

a. Procurement Authorities

No costs are involved.

b. Rest and Recuperation Travel

No increased cost from this provision. This program was instituted in April 1958 and has involved gradually increasing costs through the years. Total Agency funds expended for FY 1964 amounted to \$222, 857. 51 and FY 1965 amounted to \$243, 806. 95.

c. Dependent Travel Expenses on TDY Assignment

The Agency has had a continuing program based on case to case approval by a Deputy Director for detailing or rerouting employees for briefing or training enroute to the post of duty and for travel to headquarters for medical evaluation or other processing while on home leave between overseas assignments. Costs have not been maintained separately but have been included in the overall travel and medical expenses related to the manning of our overseas posts.

No increased costs are anticipated from this provision.

d. Home Leave

This is a new program born of the need to provide greater flexibility in granting of leave in the United States. Although it is not possible to assess a dollar figure, it is anticipated that the greater use of three-year home leave will result in savings to the Agency.

e. Hospitalization and Travel for Medical Treatment

An Agency program for reimbursement of overseas medical expenses of dependents was instituted on 21 September 1956 and has had a most salutary effect through the years. Other than the increase in

medical care costs or possible increase in the rate of incidence of illness or injury at overseas posts, there are no additional first-year costs from this provision.

f. Orientation and Langauge Training for Dependents

At the present CIA does not have a formal langauge program for dependents. However, certain special language training is provided to meet operational needs, and orientation is provided for spouses or other dependents of employees who are assigned overseas for the first time and for those who have been overseas but now are going to a new post.

Based on overall experience in the field of language training and management of language training activities, we estimate that the additional cost for such a program for the first full year, if it were to encompass a major portion of dependents of employees assigned overseas, to be \$130, 000.

We estimate that no additional cost would be incurred for area orientation.

g. Advisory Personnel

It is estimated that the additional first-year costs for increase in the consultation payments from \$50 to an estimated average of \$100, will amount to \$29, 400.

h. Reemployment Rights

No costs are involved.

i. Claims Authority

By its nature, expenditures under this authority are difficult to

estimate. General experience suggests the possibility of \$20,000 cost during the first full year under this authority.

j. Authority to Accept Gifts

This would involve no direct cost. Even assuming the possibility of immediate receipt of substantial gifts, we believe the possible administrative costs would total no more than one man year: \$10,000.

k. Definition "Child"

No costs are involved.

l. Widow's Annuity

No additional costs are involved in continuing a widow's annuity in the event of remarriage.

m. Child's Annuity

No additional costs are involved.

n. Annuity Commencement Date

No additional costs are involved.

o. Transfer of Contributions

No costs are involved.

p. Reemployment of Annuitants

No costs are involved.

q. Cost-of-Living Adjustment

The first-year cost of this provision is estimated to be \$49,600.

r. Federal Employees Pay Act

No costs are involved.